

In response to Mr Raphael Lim's 17th March 2022 Business Times article that resonates well with our Society's perspective, our President Nalla had written an article that was published in The Business Times today, 24th March 2022, highlighting the urgent need to protect investor interests. This will most definitely help to rebuild the much-needed confidence in the Singapore stock market & enhance Trust in the system.

We need a robust system to protect Shareholder rights, especially Minority Shareholder rights who are normally at the losing end as they do not have the expertise nor the resources to defend their interests.

We're looking at the Authorities to help build this all important Trust in the system.

LETTER TO THE EDITOR

Protecting investor interests critical to rebuilding investor confidence in Singapore stock market

THE Society of Remisiers (Singapore) is in total concurrence with Raphael Lim's March 17 BT article "Enabling class action lawsuits could create alternative recourse for Singapore investors".

The article is spot on in stating that "legal recourse that enables local retail investors to recover some funds could keep listed companies on their toes and boost confidence and vibrancy in the market".

We have about 680 companies listed on the Singapore Exchange and as per the daily postings in BT we have a sizeable 84 companies that have either been suspended or inactive, which is more than a mind-boggling 12 per cent of listed companies in the Singapore market! Many of these companies have been suspended for an inordinate amount of time and investors are waiting with bated breath as to when investigations would be concluded and the companies relisted. Meanwhile, their money is stuck and investors are suffering in silence with ever-diminishing hope

of any recovery of their hard-earned money. This is most definitely sapping investors' confidence in the market and demolishing trust in the system.

The Singapore Exchange Regulator may not share the same urgency and pain but we remisiers who are at the frontline and in direct contact with our clients can sympathise with their predicament and understand their agony.

However, we are at our wits' end to provide any solution as we're solely dependent on the regulator to seek the necessary justice for them.

On this aspect, we also need to address the critical issue of independence of the regulator. Presently, the Singapore Exchange Regulation is part of the Singapore Exchange which is a profit-seeking listed entity. We're not suggesting that the regulator is not independent but according to good audit principles "one must not only be independent but must be seen to be independent".

The Society of Remisiers would

recommend that the regulator be under the ambit of the Monetary Authority of Singapore or be a standalone regulatory body.

This independent body would be a champion in the protection of investor interests and will have adequate resources at its disposal to hear investor grievances and undertake class action suits for cases worth pursuing. This would go a long way in re-establishing trust in the system.

Yes, at present we do have the Securities Investors Association (Singapore) to educate investors and hear investor complaints on the board or management of Singapore-listed companies. However, due to the lack of legislative powers and limited resources, Sias can only encourage the board and management to do the right thing for investors. Beyond that, it is also helpless.

In the US, there are contingency fee arrangements to seek legal recourse for aggrieved investors. The costs are solely or mainly borne by the law firms, which take a share

when they have a successful claim. As it could be quite a lucrative business, the law firms are usually the ones that initiate the class action suits and invite aggrieved investors to file their claims with them.

It's heartening to note that the Singapore Parliament passed a Conditional Fee Arrangement Bill on Jan 12, 2022. As it's a relatively new Bill further fine-tuning would be required. Perhaps our regulators could use their expertise and resources to explore this bill further and see how it could be used to protect aggrieved investor interests.

It's time we take the bull by its horns and address this critical issue of investor protection. If we can address this issue with earnestness and urgency, it would go a long way in rebuilding much-needed investor confidence and trust in the Singapore stock market.

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